
DIGEST

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HB 513 Reengrossed

2023 Regular Session

Magee

Abstract: Authorizes an insurance premium tax credit for retaliatory taxes paid to any other state by a La. domestic insurer which is authorized to write and does write insurance in La. and in at least one other state.

Present law with regard to retaliatory fees, provides that when any other state imposes additional fees, taxes, or penalties on La. insurers doing business in the other state, La. shall impose the same additional fees, taxes, and penalties on the other state's insurers doing business in La. Present law requires insurers organized under other state's laws that are admitted to transact business in La. to pay the same fees to the commissioner of insurance as any other state may require of any similar insurer incorporated by or organized under the laws of La.

Proposed law retains present law.

Proposed law establishes an insurance premium tax credit for any La. domestic insurer that is authorized to write and does write insurance in this state and writes insurance in at least one other state as of July 1, 2023. The amount of the credit is the amount of any retaliatory tax paid to any other state.

Proposed law provides that the credit shall apply against the domestic insurer's state premium tax liability. Further provides that unused amounts of the credit may be carried forward for future premium tax liability for a period not to exceed 10 years or the domestic insurer may transfer unclaimed amounts of the credit to an affiliated insurer or may sell unclaimed amounts of the credit to another La. taxpayer. Transfers and sales of unused tax credit amounts shall be subject to the same requirements provided for in present law for the La. New Markets Jobs Act (R.S. 47:6016.1(D)).

Proposed law requires the credit established in proposed law to be administered by the commissioner of insurance. Proposed law authorizes the commissioner to promulgate rules in accordance with present law (Administrative Procedure Act) as are necessary to implement the provisions of proposed law, subject to oversight by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

Proposed law prohibits a credit established in proposed law from being allowed for retaliatory taxes incurred or paid after Dec. 31, 2029.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:836)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Change administration of the credit from the Dept. of Revenue (DOR) to the commissioner of insurance.
2. Change authorization for the promulgation of rules from DOR to the commissioner of insurance subject to oversight by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.
3. Prohibit credits established in proposed law from being allowed for retaliatory taxes incurred or paid after Dec. 31, 2029.